

CALIFORNIA FRANCHISE TAX BOARD

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8000 PASS CORRESPONDENCE SECTIONS

The PASS correspondence section is divided into three folders:

- Draft Correspondence folder.
- Sent Correspondence folder.
- Received Correspondence folder.

NOTE: For a listing of the most frequently asked PASS correspondence questions, refer to the PASS Tips Public Folder, "*PASS Correspondence Questions & Answers*."

GTAM 8110	STANDARD LETTERS
GTAM 8120	COMPOSING YOUR OWN LETTERS
GTAM 8130	ADDRESSING LETTERS
GTAM 8140	CHOOSING ATTACHMENTS
GTAM 8150	TICKLERS
GTAM 8160	NOTES
GTAM 8170	ADDRESS BOOK
GTAM 8180	REVIEW OF DRAFT CORRESPONDENCE
GTAM 8200	SENT CORRESPONDENCE FOLDER
GTAM 8210	ASSIGNING A PRINTER

Reviewed: April 2003

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8110 STANDARD LETTERS

GTAM 8111 Privacy notice

Use standard letters when making a routine inquiry or request for information to maintain uniformity of style and a clear, concise, and complete letter.

NOTE: *At no time should a FEIN, CCN, SSN, etc., be visible from a window envelope!* Senate Bill 458 (CH 97-685) mandates that any outgoing United States mail, sent by any state agency, cannot display personal information about the recipient on the outside of the envelope. This includes, but is not limited to, the recipient's:

- Taxpayer Identification Number.
- Telephone number.
- Driver's license number.
- Credit card account number.

To suggest new standard templates for inclusion on the PASS system, contact your PASS Action Representative Team member.

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8111 Privacy notice

When requesting information from a taxpayer about a year for which the taxpayer has not filed a California return, include the following sentence at the end of the letter: "For Privacy Act Notice, see form FTB 1131." Include the form with the letter.

If you already opened an examination on the taxpayer, and provided a version of the form FTB 1015 with the initial contact letter, you do not need to send form FTB 1131. See GTAM 9100.

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8120 COMPOSING YOUR OWN LETTERS

GTAM 8121 Personal PASS Paragraphs

When a standard letter or paragraph will not fit a particular situation, write your own letter or paragraph. Maintain uniformity in presentation, and ensure the product is professional.

Our "Plain Language Guide" is available on the Inside Net at

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The "Plain Language Guide" provides guidance for writing both internal documents and correspondence with taxpayers and their representatives. Use this guide to compose all correspondence.

As noted in GTAM 8110, *Standard Letters*, Senate Bill 458 (CH 97-685) mandates that any outgoing United States mail, sent by any state agency, *cannot display personal information* about the recipient on the outside of the envelope. Follow these guidelines:

- Use Franchise Tax Board letterhead only for the first page of the letter. Use blank pages for all other pages. Include a header with the recipient's name, the taxpayer's account number, the date, and the page number. You may include the state seal on the non-letterhead pages.
- Type the date three or four lines below the Department's letterhead.
- Include reply directions in the upper right corner, opposite the date, including your Payroll Unit Code and initials.
- Type the recipient's name, company, and address three to four lines below the date field.
- Type the subject line two lines below the recipient's address using the taxpayer's name, the years under audit, and the taxpayer's identifying number. *Be sure not to disclose the TPID through the envelope window.*
- Begin the body of the letter one to two lines under the subject lines.
- You should state your name, position, telephone number, and fax number three to four lines below the last line of text.

Margins should be:

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- Top: One half ($\frac{1}{2}$) inch between top and the header. The text should begin two lines after the header on page two and on subsequent pages.
- Side: One inch on both sides of the text.
- Bottom: No less than one inch.

NOTE: ((* *)) = Indicates confidential and/or proprietary information that has been deleted.

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8121 Personal PASS Paragraphs

Each user can create personal PASS paragraphs, and add them to the list of PASS standard paragraphs. For instructions to create your personal paragraphs, please consult PASS Help under the topic, "*Paragraphs - Creating a Personal PASS Paragraph.*"

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8130 ADDRESSING LETTERS

GTAM 8131	PIT Letters and Notices
GTAM 8132	Corporation Letters and Notices
GTAM 8133	Copies (cc:) to the Taxpayer
GTAM 8134	Last Known Address
GTAM 8135	Change of Address

When addressing a letter, PASS provides the option to select to whom to direct the letter, and any copies ("cc's") needed. A Letter can be mailed or cc'd to any number of people. When selecting the "To" address, each addressee will receive a copy of the letter without reference to any other addressee.

Effective April 26, 2000, the Department must follow postal regulations when sending mail to taxpayers using Commercial Mail Receiving Agencies (CMRA). The U.S. Postal Service refers to these agencies as Private Mail Boxes (PMB). When addressing taxpayers using a CMRA, you must use the PMB identifier along with the number (e.g., PMB 1145). The PMB must be either:

- On its own line, or
- On the same line as the street address. Do not include the address on the line with a name or care of (c/o) name.

The Postal Service will not deliver mail to Commercial Mail Receiving Agencies without a properly placed PMB designation. They will return the mail to the sender stamped, "*Undeliverable as Addressed.*" *The CMRA customer cannot use "Suite," "Apt.," "No.," or any other designation.*

Enter the PMB number in TI and BETS in the additional address field, or with the street address, not in the apartment number field. For TI purposes, do not use the "#" symbol. It is dropped and the number entered into the apartment field. For BETS purposes, the "#" indicator will become "No." when keyed. Neither is acceptable for delivery to Commercial Mail Receiving Agencies.

Some taxpayers may have previously provided addresses from Commercial Mail Receiving Agencies using the designation "Apt.," "Ste.," or "Suite" and the box number. The Post office will return undelivered any correspondence using a non-conforming CMRA designation. *If a taxpayer has provided an updated address to include "#" or "PMB," update the taxpayer's address in the system.*

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Remember to update BETS or TI if the system address is not current. (See GTAM 8135)

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8131 PIT Letters and Notices

The taxpayer's name should appear as it does on the face of the tax return. You should not use any titles except for

- Notices to military personnel, mailed to a military installation, or
- A married woman whose full name is unknown. Her name will be shown as, "Mrs. John J. Doe." If her correct name can be found, it should be used; for example, "*Mary E. Doe*") even if the return is filed as, "Mrs. John J. Doe."

In the case of a name change, such as a return filed by Jane Doe, who is now Jane Smith, show the name as:

JANE SMITH, FORMERLY JANE DOE

If an estate is involved, confirm that the Statute of Limitations is still open before mailing the letter. The estate may have requested an estate income tax clearance. Once we have issued this certificate, the Statute of Limitations is closed for issuing notices to the estate. (See GTAM 20310.2)

Form FTB 540, involving decedents, and Form FTB 541, involving estates and trusts, do not often show the correct taxpayer name and address on the face of the return. If not clearly indicated, you can discern whether Form 541 is for an estate or for a trust by examining the return for a check mark indicating whether the return is for an estate or trust and the amount of exemption claimed.

You need to document the steps you take to try to contact the Administrator of the estate.

The following examples show the correct procedures for addressing correspondence involving a decedent, estate, or trust:

Name of the Administrator or Executor is *known*.

- If there is a separate return for the decedent:
ESTATE OF JOHN DOE (DEC'D)
RICHARD ROE, EXECUTOR
- If there is a joint return of the decedent and the surviving spouse:

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<u>Wife Deceased</u>	<i>JOHN DOE & ESTATE OF MARY JOE (DEC'D) RICHARD ROE, EXECUTOR</i>
<u>Wife Deceased</u> <u>Surviving</u> <u>husband the</u> <u>executor</u>	<i>JOHN DOE & ESTATE OF MARY DOE (DEC'D) JOHN DOE, EXECUTOR</i>
<u>Husband</u> <u>Deceased</u> <u>Surviving Wife</u> <u>the Executrix</u>	<i>ESTATE OF JOHN DOE (DEC'D) MARY DOE, EXECUTRIX, AND MARY DOE</i>
<u>Husband</u> <u>Deceased</u>	<i>ESTATE OF JOHN DOE (DEC'D) RICHARD ROE, EXECUTOR, AND MARY DOE</i>
<u>Both Deceased</u> <u>Common</u> <u>Executor</u>	<i>ESTATE OF JOHN DOE (DEC'D) AND THE ESTATE OF MARY DOE (DEC'D) RICHARD ROE, EXECUTOR</i>
<u>Both Deceased</u> <u>Different</u> <u>Executors</u>	<i>ESTATE OF JOHN DOE (DEC'D) RICHARD ROE, EXECUTOR ESTATE OF MARY DOE (DEC'D) JANE DOE, EXECUTRIX</i>

- If there is a fiduciary return for the estate:
*ESTATE OF JOHN DOE
RICHARD ROE, EXECUTOR.*

If the attorney for the estate is handling its tax affairs, send the notices in the attorney's care. If the attorney's name is unknown, you should send them to the address of the administrator or the executor.

Name of the Administrator or Executor is not known.

- If there is a separate return for the decedent:
*ESTATE OF JOHN DOE (DEC'D)
C/O SURVIVING SPOUSE*

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- If the decedent was not married:
ESTATE OF JOHN DOE (DEC'D)
LAST KNOWN ADDRESS OR C/O INDIVIDUAL WHO SIGNED RETURN
- If there is a joint return of the decedent and the surviving spouse:

Husband
Deceased

*ESTATE OF JOHN DOE (DEC'D) AND
MARY DOE
LAST KNOWN ADDRESS*

Wife
Deceased

*JOHN DOE & ESTATE OF MARY DOE
(DEC'D)
LAST KNOWN ADDRESS*

If the taxpayer dies without assets and there is no probate, address the correspondence in the same manner as outlined where the name of the administrator or executor is not known.

If there is an assessment, the inclusion of "*Dec'd*," in parenthesis, indicates that the assessment is issued against the decedent's return, whereas the absence of "*Dec'd*" indicates that the assessment is issued against the fiduciary. In the case of a jeopardy assessment, the inclusion of "*Dec'd*" or the absence of it indicates whether to treat the jeopardy as issued against the decedent—for a year the decedent was alive—or against the decedent's estate.

Trusts

- Single:
*JOHN DOE TRUST
RICHARD ROE, TRUSTEE
ADDRESS OF TRUSTEE*
- Multiple (where one grantor has created several trusts):
*JOHN DOE TRUST F/B/O JANE DOE
RICHARD ROE, TRUSTEE
ADDRESS OF TRUSTEE*
- Guardianship (minors, incompetents):
JOHN DOE

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*RICHARD ROE, GUARDIAN
ADDRESS OF GUARDIAN*

- Bankrupt:
*JOHN DOE
RICHARD ROE, RECEIVER/ TRUSTEE IN BANKRUPTCY
ADDRESS OF RECEIVER / TRUSTEE*

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8132 Corporation Letters and Notices

Use the exact name of the corporation for all corporation letters and notices. In the case of a name change, such as a return filed by ABC Corp., which is now XYZ Corp., show the name as:

XYZ CORPORATION, FORMERLY ABC CORPORATION

The following examples show how correctly to address correspondence involving a dissolved, withdrawn, inactive, or bankrupt corporation:

- If the corporation has dissolved, withdrawn, or become entirely inactive, and there is a transferee corporation, prepare the letter or notice in the name of the transferee corporation as successor in interest to the transferor corporation. For example:

*GREEN CORPORATION,
SUCCESSOR IN INTEREST TO
BROWN CORPORATION*

NOTE: Review the taxpayer's BETS account during the preliminary audit analysis. BETS indicates the corporation's status and provides assumer/transferee information. You should also review the corporation's physical folder for any assumer/transferee information.

When preparing a notice, if there are two successors in interest, show only the last two corporations in the address. Note the first corporation in the net income line at the beginning of the notice. For example:

ADDRESS:

*BLACK CORPORATION
SUCCESSOR IN INTEREST TO
GREEN CORPORATION*

NET INCOME LINE:

Net income of Brown Corporation No. 5678901
which was succeeded to by Green Corporation -
\$100,000.00

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- If an assumption of liability is made by another corporation or by individuals as a means to collect an assessment, show the corporate name as the taxpayer and add the assumer or transferee to the address as assumer or transferee. For example:

White Corporation

GREEN CORPORATION, ASSUMER AND/OR TRANSFEREE

Or:

WHITE CORPORATION

JOHN DOE, AND JOHN SMITH, ASSUMERS AND/OR TRANSFEREES

Mail copies to each assumer or transferee as well as to the corporation.

- If you issue a notice to the taxpayer, and you must later issue the notice to an emergent assumer or transferee, you should issue it as shown:

JOHN DOE, AND JOHN SMITH, ASSUMERS/ TRANSFEREES OF ABC CORPORATION.

Here, you must use the wording, "*Previously paid*," instead of, "*Previously assessed*," especially if the taxpayer has not paid all of its self-assessed tax liability. Then, you must create a manual notice.

Mail copies to each transferee or assumer, but not to the taxpayer corporation.

- In the case of refunds, the taxpayer is the original corporation making the overpayment, regardless of subsequent assumers, transferee, successors in interest, etc. For example:

ABC CORPORATION (Taxpayer making overpayment)

C/O XYZ CORPORATION (Successor or assumer)

ADDRESS OF XYZ CORPORATION

Where the amount refunded was originally assessed to the assumer, transferee, successor in interest, etc., that corporation is the taxpayer.

- Address a notice referring to a bankrupt corporation in the usual manner. If the receiver requests a copy of the notice, it should be so indicated on

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the *BETS NPA Worksheet* (Form FTB 6830-BCT):

ABC CORPORATION
C/O JOHN DOE, RECEIVER (or referee)

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8133 Copies (cc:) to the Taxpayer

Sometimes, you should send copies of letters sent to the taxpayer's representative to the taxpayers. Some situations requiring cc's are:

- Taxpayer request for copies of all letters.
- Follow-up to a request for information to which the representative has not responded to let the taxpayer know that you have not received it.

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8134 Last Known Address

Mailing a notice to the last known address provided by the taxpayer *is adequate notice*, whether or not the taxpayer actually received a forwarded copy of a Notice of Proposed Assessment. An assessment is timely if it is mailed to the taxpayer's last known address before the applicable time limit. As a general rule, a taxpayer's last known address is the one that appears on the taxpayer's most recently filed return, unless the Franchise Tax Board is given clear and concise notice of a different address. (See GTAM 8135) (*Taylor v. Commissioner*, (1990) T.C. Memo. 1990-559; *King v. Commissioner* (9th Cir. 1988) 857 F.2d 676; *Appeal of W. L. Bryant*, Cal. St. Bd. of Equal., August 17, 1983.)

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8135 Change of Address

If you receive change of address information from the taxpayer or the United States Postal Service, it is your responsibility to update the address information on either BETS or TI, as well as on the PASS system.

You may also receive change of address information from third parties such as the Employment Development Department, credit bureau reports, and 1099 information. Determine the most correct address, and update the computer systems.

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8140 CHOOSING ATTACHMENTS

You may send correspondence previously sent through PASS as an enclosure by “*attaching*” the documents to your current letter. Open the desired letter before attaching it to be sure that you are sending the correct letter to the correct recipient. If you send an attachment to someone who was not originally a recipient, *consider any potential disclosure issues*.

Always include the previous letter when sending a follow up letter or a demand letter.

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8150 TICKLERS

GTAM 8151 Updating Ticklers
GTAM 8152 Tickler Status

You can use “ticklers” to remind you to perform basic tasks.

There are two types of ticklers:

- **Notification Ticklers** trigger a future notification. When the trigger date arrives, a notification will be sent to your PASS inbox. The notification will include any comments you made when creating the Tickler reminder.
- **Document Ticklers** remind you to send correspondence. This reminder will include the name of the letter template, if selected when the Tickler was created. For example, you may create a reminder to send a demand letter if a response is not received by June 1, 1999. On June 2, 1999, you will receive the reminder telling you to send the demand letter.

Once you have created a tickler, it stays in the Ticklers window until you delete it. You can use ticklers to note the next action on a case unit.

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8151 Updating Ticklers

At any time, you may view and edit the list of outstanding Ticklers for one case unit. When you no longer need a Tickler, you should cancel it.

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8152 Tickler Status

There are three statuses for ticklers:

- Active
- Completed
- Overdue.

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8160 NOTES

This is a good place to add any additional comments.

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8170 ADDRESS BOOK

The Address Book stores the address of the taxpayer and representative. Each case unit has an Address Book. Be sure that all of the information is accurate. Verify the address information at the beginning and end of the examination.

If you update an address on PASS, you must also update the BETS or TI system. The Address Book only updates the address for correspondence generated by PASS.

NOTE: To prevent unauthorized disclosure, *do not send email over the Internet*. You may not exchange confidential information with a taxpayer or representative by Internet email under any circumstance. Only authorized employees who have completed the *Internet Service Application* (Form FTB 6614) and have attended Internet training may use the Internet. Attachments sent through the Internet are much more likely to be intercepted during transmission than through regular mail or faxing.

In general, you maintain the Address Book. However, you might need help updating the Address Book for a large audit. If so, you should contact the Audit Business Support administrator.

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8180 REVIEW OF DRAFT CORRESPONDENCE

Until satisfied with your experience level, your lead or supervisor reviews all your draft correspondence before mailing. See GTAM 14100, *Informal Review Requests*, for additional information.

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8200 SENT CORRESPONDENCE FOLDER

The Sent Correspondence folder holds Correspondence released and sent through PASS.

When you send correspondence, you should stuff all letters and attachments in the envelope, and place them in the out basket, unless you have made arrangements with Support Staff.

State law forbids sending any item containing personal information through U.S. mail, common carrier, package delivery carrier, or through a courier service; unless that information is in a sealed package and not viewable from the package's exterior. Personal information includes, but is not limited to, social security numbers, telephone numbers, driver license numbers, and credit card account numbers.



- You are responsible for sending out correspondence.
- Print correspondence at your local printer. If printing from an office other than your home office, see GTAM 8210, *Assigning a Printer*.
- Create a tickler (reminder) to send out a follow-up letter. Once the tickler prompts you, send the follow-up letter. See GTAM 8150, *Ticklers*, for additional information.
- Mail the letter the same day that you print it. **NOTE:** Be aware of the mail pick up times for your area.

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8210 ASSIGNING A PRINTER

Our workload frequently requires us to perform duties from various field offices. In these instances, you should reassign a printer before sending any print jobs. *You must log onto the Network to install a printer.*

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